Presentation
Michigan State Medical Society
House Health Policy Committee
February 10, 2015

MSMS
MICHIGAN STATE MEDICAL SOCIETY

Rose Ramirez, M.D., Grand Rapids
President-Elect

Good morning Chairman Callton and members of the House Health Policy Committee. My name is Rose Ramirez, and I am a Family Physician practicing in Belmont and am the President-elect of the Michigan State Medical Society. Thank for the opportunity to present on behalf of the more than 15,000 physician members of the Michigan State Medical Society (MSMS) to provide an overview of our organization.

The Michigan State Medical Society (MSMS) was founded in 1866 and is comprised of physicians in all stages of training from all specialties and from nearly every community across the state. MSMS represents medical students as they complete their undergraduate training and throughout their four years of medical school, medical residents as they complete their postgraduate residencies that take between three and eight years, as well as physicians in all phases of their practice through retirement. We represent every single medical specialty from primary care to surgeons, dermatologists to anesthesiologists, and every other specialty across the spectrum of medical practice. We are an umbrella organization for physicians to advocate on behalf of our patients and our profession.

As physicians, our focus is the health and well-being of our patients. As those of you on the Committee who are also trained in one of the health professional fields, you understand the incredible responsibility that comes with treating a patient. In the exam room, our focus is on our patient and making sure that their health and well being is our primary concern. Not surprisingly, our organization focuses much of our advocacy on making sure that clinical decisions are made between the patient and their physician.

Health care has become increasingly complex, both in terms of the range of treatments available to patients as well as how health care is delivered. More and more, physicians are

looking to work in constructive ways with our partners in the health insurance world, hospital administration, employers, and other professions within the health care team. This is the new reality and physicians are ready to be leaders in continuing to serve as advocates of our patients while also helping to be stewards of our health care resources. MSMS is actively pursuing the triple aim of health care-improving quality, improving the patient experience, and functioning in a cost effective manner.

Those of you on the Committee with experience in one of the health professional fields also know that the clinical pursuits within our professions must also confront the economic realities of the small business side of running a medical practice. Part of ensuring we put patients first is working towards common sense solutions that cut down on the red tape that hinder our medical practices. There are many examples of insurers, government, and physicians working in concert to improve the care of patients. One example with which I am extremely familiar is being a Patient Centered Medical Home (PCMH) for my patients. PCMH is a great example of public and private insurers recognizing that appropriate access to many primary care services had the impact of improving the health of patients while saving money over the long term. Sometimes, legislation is necessary to help bring everybody on the same page. For example, MSMS has worked on legislation to reduce the burden of prior authorization forms on patients and physician practices. MSMS believes that doctors should be spending their time in the exam rooms and operating rooms instead of on the phone or filling out unnecessary paperwork.

Physicians are not only promoting the health and wellness of patients and our communities, but we also provide the health of our local and state economies. Physicians are proven job creators and it is important to highlight this fact. Total jobs supported by Michigan physicians were 259,537 (both direct and indirectly) with 11 average jobs created by his or her own physician. Total local and state tax revenue generated by physicians was roughly $1.4 billion. This number does not include the extensive work physicians in terms of charity care and other endeavors that are uncompensated but provide a great service to our communities.

Access for patients means that we need to continue to attract the best and brightest medical students and physicians from around the country and the world to come and practice in Michigan. We have world renowned medical schools, including, the addition of three new medical schools. We know that if medical students learn here, train here, they will live here in Michigan.

We in a time of tremendous change in health care. Physicians are ready to be leaders in making the changes that improve care for our patients. Your constituents are our patients, so we look

forward to partnering with the Health Policy Committee in terms of passing legislation that will make Michigan a leader in health care, in areas such as:

- Public Health and Population Health initiatives
- Reducing bureaucracy and unnecessary administrative costs
- Appropriately defining Team Based Health Care
- Maximizing Access to Health Care in Underserved Areas
- Innovate Graduate Medical Education
- Reducing Prescription Drug Abuse

MSMS LEGISLATIVE PRIORITIES 2015-2016

➢ Team Based Care

- Patient Focused
- Physician-led
- Updates Public Health Code to recognize important contributions of APRNs to health care team
- Updating our statutes to meet the needs of patients and foster innovation and collaboration, not about political wins and losses

Patients are best served by a team based approach that provides the maximum amount of choice for their care while ensuring that they benefit from the additional training and expertise having a physician on the team provides. A highly functioning health care team is the best way to serve patients while addressing the other access issues, not legislation that creates silos.

➢ Maintenance of Certification Reform

- Reduce unnecessary costs
- Keep physicians in operating rooms and exam rooms instead of filling out paperwork
- Improve Access

Board certification began as a way to standardize the measure of physicians upon completion of their training. It has evolved into a multi-million dollar industry that charges significant fees to physicians for recertification and amasses large amounts of health care data as a condition of this process. This is all done under the unsubstantiated claim that physicians that are re-certified are somehow more qualified. Re-certification has become a barrier to physicians to stay in practice and has yet to produce any real evidence of the efficacy of this process.

➢ Medicaid

- Preserve Primary Care Payment Uplift
- Improve funding and access to specialist physicians
- Payment Alignment

Medicaid has become an increasingly larger segment of the health care market with the passage of Medicaid expansion as well as the erosion of employer sponsored health care coverage. Medicaid can no longer rely on the cost shifting to better paying health insurers. If the goal is to reduce our long term exposure to future health expenditures, we should be investing in making sure that patients have access to the most cost effective, lowest intensity service possible, at the outset. While payment levels are crucial, physician participation is also driven by how easily a practice can do business with a health plan. Aligning rules and standardizing processes are a way to make Medicaid a more attractive partner to physicians. Medicaid should strive to be the best and easiest plan for physicians to contract with.

➢ Network Adequacy

- Consumer Protection
- Access
- Managing with life after the Affordable Care Act

While insurance exchanges offer consumers access to a great deal of pricing and coverage data upon which to base their decisions, this information only takes them so far. Insurers across the country are learning that patients often seek the lowest price product. In some situations, consumers are finding that access to certain physician practices is eliminated in order to limit access and therefore cost exposure to the plans. In some states, there have been examples of physicians who were signed up during the marketing phase for open enrollment only to be terminated once the coverage for patients actually commenced, thereby depriving patients of the access they thought they were purchasing.

MSMS
MICHIGAN STATE MEDICAL SOCIETY

➢ Graduate Medical Education

- Access
- Recruit and Retain talent to Michigan
- Solid Investment

Studies repeatedly demonstrate that one of the best ways to recruit and retain physicians is via local medical schools and residency programs. GME helps fill the gap in underserved areas by providing extremely low cost care to those most in need. Michigan has been a leader in expanding medical school class sizes to address the projected demand for physician services, it is imperative that we continue to fund GME slots to allow these future physicians to learn here in Michigan, train here in Michigan, and stay here in Michigan.

➢ Auto No-fault

- Effective
- Appropriate Coverage
- Appropriate Reforms

Michigan has been a leader in the area of providing care to those injured in auto accidents by virtue of our No-fault statute. For forty years, Michigan has required drivers to purchase coverage in the unfortunate event of a catastrophic injury. Unlike other states that burden taxpayers by allowing the injured to be shifted to the Medicaid program or increase uncompensated load on physicians and facilities. MSMS recognizes the need for reform in order to assure that the promise of no-fault remains for future generations. Responsibility and accountability on the part of physicians and other health providers as well as insurance companies will help to keep this important program viable into the future.

➢ Bad Debt and Retroactive Audits

- Leveling the playing field for physicians and insurers
- Reducing an unnecessary cost to physician practices
- Accountability

The emergence of high deductible plans has created confusion between patients and physicians as well as additional workload for practices. Solutions are necessary that allow physicians the ability to bill patients at the point of care in order to reduce the likelihood of unpaid bills. Similarly, balance is needed between physician practices and insurers with respect to retroactive audits. Insurers that retroactively deny payment more than a year after the service was provided make it very difficult to collect payment from the appropriate party. Physicians that submit bills in good faith based on information provided by the health plan should not be held responsible for the inability of the insurer to provide accurate information at the time of service.

➢ Prescription Drug Abuse

- Maintain access for chronic pain patients
- Safeguards to assure drugs are not used for illicit purposes

The rise of prescription drug abuse is a growing concern among the physician community, however it is important that solutions do not have the unintended consequence of denying access to pain patients. Michigan has long been a leader in crafting laws and regulations that assure appropriate access to pain Medications. Prescription drug abuse is a multi-faceted problem. Solutions should focus on all areas of illicit prescription drug use, not just the interaction between the patient and the physician.

➢ Physician Clinical Decision Making Authority

- Keep the patient-physician relationship primary
- Keep clinical decisions in the hands of physicians

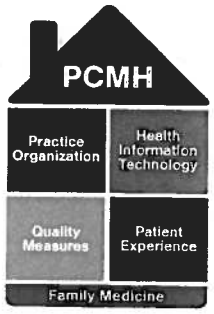
Medical decisions should be based on the informed consent of the patient and the clinical training of the physician. Physicians and other professions uniquely bear the responsibility to the patient and any accompanying liability. Therefore, the clinical decision making authority of the physician should not be impeded by any corporate or governmental entity.

Primary Care for the 21st Century

Ensuring a Quality, Physician-led Team for Every Patient

AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

The U.S. is moving to a new primary care model built around patients and delivered by teams, known as the **Patient-Centered Medical Home (PCMH).**



What is it?

- Each person has an ongoing relationship with a **personal physician** who provides continuous, comprehensive care
- **Physician leads a team** of professionals to care for patients

- Personal physician **coordinates with other health care providers within the PCMH** and across the complex health care system
- **Quality and safety** are hallmarks, and patients and their families actively participate in decision making
- **Enhanced access to care** through open and same-day scheduling, expanded clinical hours, and new options for communication

Can a nurse lead the team?

Nurses are vital members of the team, but **nurse ≠ doctor**

Years of Education and Training[1]

Family Physician — **11** *years*

Nurse Practitioner — **5.5-7** *years*

Doctors bring broader and deeper expertise to the diagnosis and treatment of all health problems. Doctors are trained to provide complex diagnoses and develop comprehensive plans to treat them.

3 out of 4

patients prefer to be treated by a physician even if it takes longer to get an appointment and even if it costs more.[2]

Why do we need it?

- **Fewer** emergency room visits
- **Fewer** hospital admissions and readmissions
- **Shorter** hospital stays[3]

How do we make the PCMH a reality for everyone?

1 We have to fix the primary care workforce shortage.

45,000 too few primary care **physicians** by 2020[4]

AND

260,000 too few registered **nurses** by 2025[5]

2 We need more doctors, and we need more nurses, and we need them working together in teams.

Studies show the ideal practice ratio of nurse practitioners to physicians is approximately **4 to 1.**[6] At this ratio, everyone can have a physician-led team, and the primary care shortage can be eliminated.

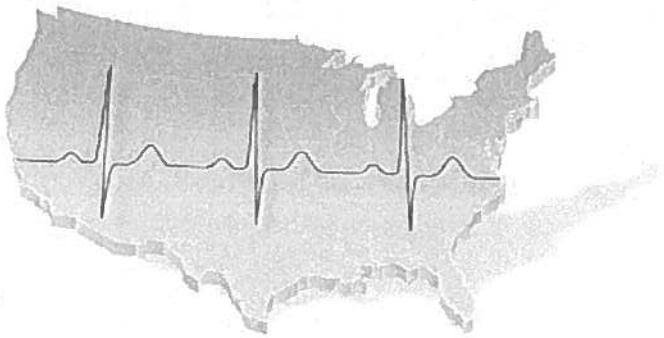
3 How can we train more primary care doctors?

- Increase federal funding for primary care physician education.
- Help medical students pay back or defray medical school debt.
- Improve primary care physician payment so students will consider primary care careers.

[1] Martin, Greg. "Education and Training: Family Physicians and Nurse Practitioners." Web. 12 June 2012.
[2] American Medical Association. "Patient support for physician-led health care teams." September 2012.
[3] "Proof in Practice: A Compilation of Patient Centered Medical Home Pilot and Demonstration Projects." Web. 12 June 2012.
[4] https://www.aamc.org/download/150584/data/physician_shortages_factsheet.pdf
[5] Buerhas, Peter I., David I. Auerbach, and Douglas O. Staiger. *The Recent Surge In Nurse Employment: Causes and Implications.* Web. 12 June 2012.
[6] *Investing in Health.* New York: Published for the World Bank, Oxford UP, 1993. Print.

Visit **aafp.org/pcmh-team** to learn more.

PHYSICIANS BOOST THE ECONOMY.



See the effect in Michigan

Michigan's physicians are trusted leaders who have a positive and lasting impact on the health of their patients and the health of their community as a whole. Physicians also critically support the health of their local and state economies through the creation of jobs with their related wages & benefits, the purchase of goods and services and large-scale support of state and local tax revenues.

Results from a recent economic impact study conducted by IMS Health, on behalf of the AMA, demonstrate the significant level of support that physicians generate for Michigan's economy. The study results also clearly indicate that creating an environment which would attract new and retain existing physicians to meet expanding healthcare demands will also have the added benefit of increasing the number of good jobs in Michigan and improving the health of the local economy.

Key economic benefits provided by physicians both nationally and in Michigan in 2012 include:

	Michigan	National
TOTAL PATIENT CARE PHYSICIANS	**23,519**	**720,421**
JOBS		
Total Direct Jobs Supported by Physician Industry [1]	109,186	3,336,077
Total Indirect Jobs Supported by Physician Industry [1]	150,351	6,632,265
Total Jobs Supported by Physician Industry [1]	259,537	9,968,342
Average Jobs Supported by Each Physician Including His/Her Own [1]	11.0	13.8
SALES REVENUE		
Total Sales Revenue Generated by Physician Industry [1]	$ 37.0 Billion	$ 1.6 Trillion
% of Total GSP/GDP [2]	9.2%	10.2%
WAGES & BENEFITS		
Total Wages & Benefits Supported by Physician Industry [1]	$ 20.7 Billion	$ 775.5 Billion
LOCAL & STATE TAX REVENUE		
Total Local & State Tax Revenue Generated by Physicians [1]	$ 1.4 Billion	$ 65.2 Billion

MSMS MICHIGAN STATE MEDICAL SOCIETY

AMA AMERICAN MEDICAL ASSOCIATION

1. *The State Level Economic Impact of Physicians Report (IMS Health, March 2014)*
2. *US Bureau of Economic Analysis: Current-Dollar GDP by State, 2012*